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PART II—Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके ।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bills were introduced in Lok Sabha on the 2nd May, 1989:—

BILL No. 41 OF 1989

*A Bill further to amend the Union Duties of Excise (Distribution) Act, 1979.*

BE it enacted by Parliament in the Fortieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Union Duties of Excise (Distribution) Amendment Act, 1989.

Short title and commencement.

(2) It shall be deemed to have come into force on the 1st day of April, 1989.

2. In the Union Duties of Excise (Distribution) Act, 1979 (hereinafter referred to as the principal Act), in the long title, for the words, figures and letters "report dated the 30th day of April, 1984", the words, figures and letters "first report dated the 29th day of July, 1988" shall be substituted.

Amendment of long title of Act 24 of 1979.

3. For sections 2 and 3 of the principal Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 2 and 3.

"2. In this Act, the expression "distributable Union duties of excise" means forty-five per cent. of the net proceeds of Union duties of excise, levied and collected under the Central Excises and Salt

Definition.

Act, 1944 and any other law for the levy and collection of such duty, unless the law earmarks the proceeds of the duty for any special purpose.

1 of 1944.

*Explanation.*—The expression “net proceeds” has the same meaning as in clause (1) of article 279 of the Constitution.

3. During the financial year commencing on the 1st day of April, 1989, there shall be paid, out of the Consolidated Fund of India, to the States sums equivalent to the distributable Union duties of excise levied and collected in that year, and—

(a) eight-ninths of the sums so payable during the financial year shall be distributed to each of the States specified in column (1) of Table I below in such percentage as is set out against it in column (2) thereof; and

(b) one-ninth of the sums so payable during the financial year shall be distributed to each of the States specified in column (1) of Table II below in such percentage as is set out against it in column (2) thereof.

Payment to States of sums equivalent to a part of the net proceeds of Union duties of excise and distribution of the sums among them.

TABLE I

State	Percentage
(1)	(2)
Andhra Pradesh	7·858
Arunachal Pradesh	0·070
Assam	2·707
Bihar	13·573
Goa	0·074
Gujarat	3·109
Haryana	1·077
Himachal Pradesh	0·549
Jammu and Kashmir	0·713
Karnataka	5·092
Kerala	3·707
Madhya Pradesh	8·726
Maharashtra	5·635
Manipur	0·197
Meghalaya	0·199
Mizoram	0·065
Nagaland	0·070
Orissa	4·454
Punjab	1·310
Rajasthan	5·097
Sikkim	0·032
Tamil Nadu	7·785
Tripura	0·295
Uttar Pradesh	19·877
West Bengal	7·729

TABLE II

State	Percentage
(1)	(2)
Arunachal Pradesh	7·158
Assam	14·233
Goa	1·695
Himachal Pradesh	10·031
Jammu and Kashmir	19·499
Manipur	6·787
Meghalaya	4·837
Mizoram	8·199
Nagaland	8·108
Orissa	5·806
Rajasthan	3·946
Sikkim	1·408
Tripura	8·293·1

## STATEMENT OF OBJECTS AND REASONS

As recommended by the Eighth Finance Commission in its final report dated the 30th April, 1984, a sum equivalent to forty-five per cent. of the annual net proceeds of shareable Union duties of excise is paid to the States. Of this, forty per cent. is distributed among all the States and the remaining five per cent. distributed among the deficit States, on the basis of the percentages recommended by that Commission and these recommendations were in force up to the 31st March, 1989.

2. The Ninth Finance Commission, in its first report dated the 29th July, 1988 for the financial year 1989-90, has recommended that—

(i) the States' share in the net proceeds of shareable excise duties should be forty-five per cent;

(ii) forty per cent. of the net proceeds of shareable excise duties should be distributed among the States in the percentages recommended by it; and

(iii) the balance of five per cent. of the net proceeds of shareable excise duties should be distributed among the deficit States in the percentages recommended by it.

3. The Government has accepted the recommendations of the Ninth Finance Commission in its first report for the financial year 1989-90 and consequently decided to implement the same.

4. This Bill is intended to give effect to the aforesaid recommendations of the Commission.

NEW DELHI;

The 21st April, 1989.

S. B. CHAVAN.

### FINANCIAL MEMORANDUM

Clause 3 of the Bill seeks to substitute sections 2 and 3 of the Union Duties of Excise (Distribution) Act, 1979. The new section 3 seeks to provide for payment to the States of a part of the net proceeds of the Union duties of excise. It is estimated that the payment to the States shall amount to Rs. 7476.46 crores during the year 1989-90.

2. The Bill does not involve any non-recurring expenditure.

## BILL NO. 42 OF 1989

*A Bill further to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957.*

BE it enacted by Parliament in the Fortieth Year of the Republic of India as follows:—

Short  
title and  
commen-  
cement.

1. (1) This Act may be called the Additional Duties of Excise (Goods of Special Importance) Amendment Act, 1989.

(2) It shall be deemed to have come into force on the 1st day of April 1989.

Amend-  
ment of  
long title  
of Act 58  
of 1957.

2. In the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the principal Act), in the long title, for the words, figures and letters "report dated the 30th day of April, 1984", the words, figures and letters "first report dated the 29th July, 1988" shall be substituted.

Substitu-  
tion of  
new Sche-  
dule for  
the  
Second  
Schedule.

3. In the principal Act, for the Second Schedule, the following Schedule shall be substituted, namely:—

**"THE SECOND SCHEDULE**

(See section 4)

*Distribution of additional duties*

During the financial year commencing on the 1st day of April, 1989, there shall be paid to each of the States specified in column

(1) of the Table below sube percentage of the net proceeds of additional duties levied and collected during the financial year in respect of the goods described in column (3) of the First Schedule, after deducting therefrom a sum equal to 2.023 per cent of the said proceeds as being attributable to Union territories, as is set out against it in column (2) of the said Table:

Provided that if during the financial year there is levied and collected in any State a tax on the sale or purchase of the goods described in column (3) of the First Schedule, or one or more of them by or under any law of that State, no sums shall be payable to that State under this paragraph in respect of the financial year, unless the Central Government by special order otherwise directs.

TABLE

State	Percentage
(1)	(2)
Andhra Pradesh	7.933
Arumachal Pradesh	0.100
Assam	2.711
Bihar	8.519
Goa	0.230
Gujarat	6.094
Haryana	2.358
Himachal Pradesh	0.652
Jammu and Kashmir	0.916
Karnataka	5.581
Kerala	3.834
Madhya Pradesh	7.070
Maharashtra	11.763
Manipur	0.192
Meghalaya	0.179
Mizoram	0.061
Nagaland	0.127
Orissa	3.680
Punjab	3.478
Rajasthan	4.636
Sikkim	0.048
Tamil Nadu	7.120
Tripura	0.279
Uttar Pradesh	14.109
West Bengal	8.330."

## STATEMENT OF OBJECTS AND REASONS

The net proceeds of the additional duties of excise levied under the Additional Duties of Excise (Goods of Special Importance) Act 1957, on sugar, tobacco, cotton fabrics, man-made fabrics and woollen fabrics in replacement of the States' sales tax on these goods are distributed in accordance with the provisions of that Act.

2. The Eighth Finance Commission in its final report, dated the 30th April, 1984 had recommended that the shares of the States in the additional duties of excise in respect of the said goods be distributed by giving equal weightage to State Domestic Product and population. The average State Domestic Product of the States for the year 1976-77 to 1978-79 and the population as in 1971 Census had been adopted by the said Commission in arriving at the percentage shares of the States. This recommendation was accepted by the Government for the period 1985-89 and the percentage shares are accordingly in force up to the financial year 1988-89.

3. The Ninth Finance Commission in its first report dated the 29th July, 1988 for the financial year 1989-90 has recommended that the shares of the States in the additional duties of excise for the said goods be distributed by giving equal weightage to State Domestic Product and population. The average State Domestic Product of the States for the years 1982-83 to 1984-85 and the population as in 1971 Census have been adopted by the Commission in arriving at the percentage shares of the States.

4. This Bill seeks to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957, for giving effect to the above recommendations of the Ninth Finance Commission.

NEW DELHI;

The 21st April, 1989.

S. B. CHAVAN.



## FINANCIAL MEMORANDUM

Clause 3 of the Bill seeks to substitute the Second Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957, to provide for payment to States of their share of additional duties of excise on sugar, tobacco, cotton fabrics, man-made fabrics and woollen fabrics levied and collected under the said Act. In terms of the Act, the entire net proceeds, except the proceeds attributable to the Union territories, are distributable to the States. It is estimated that the payments to the States on this account during the year 1989-90 will amount to Rs. 1449.04 crores.

2. The Bill does not involve any non-recurring expenditure.

## BILL No. 43 OF 1989

*A Bill further to amend the General Insurance Business (Nationalisation) Act, 1972.*

BE it enacted by Parliament in the Fortieth Year of the Republic of India as follows:—

Short  
title.

1. This Act may be called the General Insurance Business (Nationalisation) Amendment Act, 1989.

Amend-  
ment of  
section  
9 of  
Act 57  
of 1972.

2. In section 9 of the General Insurance Business (Nationalisation) Act, 1972, in sub-section (2), for the words "rupees, seventy-five crores, divided into seventy-five lakhs fully paid-up shares", the words "rupees two hundred and fifty crores, divided into two hundred and fifty lakhs fully paid-up shares" shall be substituted.

## STATEMENT OF OBJECTS AND REASONS

The authorised capital of the General Insurance Corporation of India is at present rupees seventy-five crores as provided in sub-section (2) of section 9 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972).

2. There has been a substantial accretion to the free reserves of the General Insurance Corporation of India on account of its continued good performance. As a result of the said accretion, the General Insurance Corporation of India has made two bonus issues and at present the paid-up capital of the said Corporation stands at rupees sixty-four crores and fifty lakhs. The said Corporation is also expected to make further bonus issues in the near future and as a result of such issues, the paid-up capital of the Corporation would go up beyond the existing authorised capital of rupees seventy-five crores. It is, therefore, necessary that the present authorised capital of rupees seventy-five crores is increased to rupees two hundred and fifty crores to enable the said Corporation to make further bonus issues over a period of next ten years.

3. The Bill seeks to achieve the above object.

NEW DELHI;

S. B. CHAVAN.

The 20th April, 1989.

## BILL NO. 45 OF 1989

*A Bill further to amend the Constitution of India.*

BE it enacted by Parliament in the Fortieth Year of the Republic of India as follows:—

Short  
title  
and  
commen-  
cement.

1. (1) This Act may be called the Constitution (Sixty-third Amendment) Act, 1989.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amend-  
ment of  
article  
332.

2. (1) In article 332 of the Constitution, after clause (3A), the following clause shall be inserted, namely:—

“(3B) Notwithstanding anything contained in clause (3), until the taking effect, under article 170, of the re-adjustment, on the basis of the first census after the year 2000, of the number of seats in the Legislative Assembly of the State of Tripura, the seats which shall be reserved for the Scheduled Tribes in the Legislative Assembly shall be, such number of seats as bears to the total number of seats, a proportion not less than the number, as on the date of the coming into force of the Constitution (Sixty-third Amendment) Act, 1989, of members belonging to the Scheduled Tribes in the Legislative Assembly in existence on the said date bears to the total number of seats in that Assembly.”.

(2) The amendment made to article 332 of the Constitution by subsection (1) shall not affect any representation in the Legislative Assembly of the State of Tripura until the dissolution of the Legislative Assembly existing at the commencement of this Act.

## STATEMENT OF OBJECTS AND REASONS

For restoring peace and harmony in areas of Tripura where disturbed conditions prevailed, a Memorandum of Settlement was signed by the Government of India with Tripura National Volunteers on 12-8-1988. The Memorandum of Settlement provides for a greater share of tribals in the governance of the State. The Memorandum of Settlement also envisages amendment of the constitution to provide that notwithstanding anything contained in the Constitution, the number of seats in the Legislative Assembly of Tripura reserved for Scheduled Tribes shall be such number of seats as bears to the total number of seats, a proportion not less than the number, as on the date of coming into force of the Constitutional amendment, of members belonging to the Scheduled Tribes in the existing Assembly bears to the total number of seats in the existing Assembly. It also provides that the amendments shall not affect any representation in the existing Assembly of Tripura until its dissolution.

2. In order to implement the said Memorandum, action is to be taken to determine the seats which are to be reserved for Scheduled Tribes in Tripura. Reservation of seats for Scheduled Castes and Scheduled Tribes in the Legislative Assembly of any State is governed by the provisions of article 332 of the Constitution. Having regard to the special circumstances obtaining in Tripura, It is proposed to further amend article 332 of the Constitution for making a temporary provision for the determination of the number of seats reserved for Scheduled Tribes until the re-adjustment of seats on the basis of the first census after the year 2000 under article 170 of the Constitution for Tripura.

3. The Bill seeks to achieve the aforesaid objects.

NEW DELHI;  
The 21st March, 1989.

BUTA SINGH

SUBHASH C. KASHYAP,  
*Secretary-General.*

